

Executive Summary – Asheville and Buncombe County

The Asheville Regional Housing Consortium area, consisting of Buncombe, Henderson, Madison and Transylvania counties, and certain local governments within these counties, has varied and significant housing problems. Most relate to housing affordability. As the region's largest county and employment center, Buncombe County greatly influences the character of the Consortium region as a whole.

Buncombe County (including and excluding Asheville) showed remarkable population and household growth in the 1990s, leading the Consortium in residential development since 2000. With little vacant land available in Asheville, the County's projected five-year growth will occur almost entirely outside the city limits, primarily in the areas immediately adjacent to Asheville. As would be expected, Asheville greatly influenced Buncombe County's overall demographic makeup as well as socioeconomic and housing characteristics. Separating the city data from the rest of Buncombe County reveals distinct differences. Buncombe County, excluding Asheville, led the Consortium in current and projected median household income and was second only to Transylvania County in the number of owner-occupied dwelling units in 2000. The County, again excluding Asheville, was also more consistent with neighboring Henderson County, revealing considerable growth in its aging population, steady residential development projected for the next five years, and similar percentages of low- and moderate-income households.

The region enjoys a strong and growing economy with unemployment rates consistently below those of the state and the U.S. However, the nature of the economy is shifting with continuing losses in manufacturing jobs replaced by lower-paid jobs in service and other industries. The region's dependence on tourism and service jobs limits the incomes of many of its households, particularly those with a single earner.

The Consortium area is a recognized tourism center and a retirement location of growing popularity. Five percent of the housing stock (8,334 units) is held as second homes for occasional use by residents of other regions. Twenty-five percent of these seasonal homes are located in Buncombe County. The price competition from retirees and second-home buyers, coupled with the high land and construction costs related to the region's mountainous terrain, has led to high housing prices and rents. Reflecting current rent levels, the U.S. Department of Housing and Urban Development (HUD) has established Fair Market Rents (FMRs) as follows:

2004 Fair Market Rents

Unit Type	Asheville Metro Area*
Efficiency	\$460
One Bedroom	\$537
Two Bedrooms	\$600
Three Bedrooms	\$816
Four Bedrooms	\$1,054

*Buncombe and Madison Counties

Affording the Asheville area FMR for a two-bedroom unit requires a wage of \$11.54 per hour for a single earner working 40 hours per week. Many important jobs pay much less than \$11.54 per hour, including:

Occupation	Average Wage
Cashiers	\$7.64
Home Health Aides	\$8.83
Nursing Aides	\$9.85
Pre-school Teachers	\$9.28
Security Guards	\$9.89
Pharmacy Technicians	\$8.85
Cooks, Restaurants	\$9.82
Office Clerks	\$10.29

A worker earning minimum wage would need to work 90 hours per week to afford that same two-bedroom unit. While many single persons and single parents work two or more jobs to be able to afford housing, most low-income households end up paying more than they can afford for housing.

HUD defines three categories of low-income households adjusted for household size:

- Extremely-low-income households with incomes equal to 30 percent or less of the Area Median Family Income (AMI) (up to \$14,900 for a family of four);
- Very-low-income households with incomes of 31 to 50 percent of AMI (between 14,901 to \$24,850 for a family of four); and
- Low-income households with incomes of 51 to 80 percent of AMI (between \$24,851 to \$39,750 for a family of four).

Based on Buncombe County incomes and current mortgage interest rates, a three-person very-low-income household could afford to spend no more than \$559 per month for rent and utilities or for mortgage principal, interest, taxes and insurance. This reflects HUD's affordability standard of spending no more than 30 percent of household income for gross housing costs. The FMR for a two-bedroom unit is 7 percent higher than the maximum affordable gross rent; the three-bedroom unit's FMR is 46 percent higher. The median sale price for a three-bedroom house is more than double the household's maximum affordable price.

Gap Between Market and Affordable Gross Rents

	Extremely-Low-Income Households	Very-Low-Income Households	Low-Income Households
Maximum Income	\$13,400	\$22,400	\$35,800
Maximum Gross Rent	\$335	\$559	\$895
Fair Market Rent			
Two Bedrooms	\$600	\$600	\$600
Three Bedrooms	\$816	\$816	\$816
FMR as Percent of Maximum Affordable Rent			
Two Bedrooms	179%	107%	67%
Three Bedrooms	244%	146%	91%

Gap Between Market and Affordable Sales Prices

	Extremely-Low-Income Households	Very-Low-Income Households	Low-Income Households
Maximum Income	\$13,400	\$22,400	\$35,800
Maximum Housing Price*	\$48,927	\$81,606	\$130,715
Median Sale Price			
Three Bedrooms	\$170,000	\$170,000	\$170,000
Median Sale Price as Percent of Maximum Affordable Price	347%	208%	130%

*Assumes a 10-percent downpayment, a 6.5-percent mortgage interest rate and a 0.25-percent private mortgage insurance premium.

The significant gap between market rent/price levels and affordable levels is evidenced by housing problem data from the 2000 U.S. Census. On the following page, tables 1 thru 3 shows the housing problem data for Asheville, Buncombe County alone, and the county including Asheville. For the county as a whole, 70 percent or 6,210 of Buncombe County's extremely-low-income households reported housing problems, including 69 percent with cost burdens of 30 percent or more. This includes 4,827 households with severe cost burdens, paying one-half or more of their income for housing. Other housing problems include overcrowding and units with physical defects, primarily lacking complete plumbing facilities. Though at a lesser rate than extremely-low-income households, 5,181 or 55 percent of very-low-income households had housing problems, including 27 percent with severe cost burdens. Thirty-eight percent of low-income households had housing problems, including 10 percent spending half or more of their income for housing. In general, renters have more housing problems than homeowners, but this is not always true in the extremely-low-income group.

Compared to Asheville, the rest of Buncombe County had a lower percentage of low-income households, lower percentage of disproportionately impacted minority groups, a higher median residential sales price for 2004, and an unmet housing need that is only slightly greater than the entire city. That being said, the county as a whole still accounts for the majority of the Consortium's unmet housing needs. The percentage of households with housing problems for the county as a whole also tended to be higher than other jurisdictions.

(HUD Table 1): Housing Assistance Needs of Asheville, 2000

Households by Type, Income, and Housing Problem	Renters					Owners			Total Housholds
	Elderly Households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	
Extremely Low & Very Low Income	1,377	1,481	193	2,547	5,598	1,448	1,022	2,470	8,068
Extremely Low Income (0% to 30% AMI)	843	874	99	1,368	3,184	544	481	1,025	4,209
Percent with any Housing Problems	56%	69%	85%	72%	67%	70%	85%	77%	70%
Percent with Cost Burden > 30%	55%	66%	75%	72%	66%	70%	85%	77%	69%
Percent with Cost Burden > 50%	36%	54%	61%	63%	53%	47%	71%	58%	55%
Very Low Income (31% to 50% AMI)	534	607	94	1,179	2,414	904	541	1,445	3,859
Percent with any Housing Problems	49%	75%	69%	78%	70%	34%	73%	49%	62%
Percent with Cost Burden > 30%	49%	72%	53%	77%	69%	34%	73%	48%	61%
Percent with Cost Burden > 50%	26%	26%	0%	42%	33%	14%	45%	26%	30%
Low Income (51% to 80% AMI)	433	783	111	1,196	2,523	1,277	1,478	2,755	5,278
Percent with any Housing Problems	52%	42%	60%	47%	47%	17%	49%	34%	40%
Percent with Cost Burden > 30%	52%	37%	39%	45%	43%	16%	49%	34%	38%
Percent with Cost Burden > 50%	7%	6%	4%	3%	5%	7%	17%	12%	9%
Moderate to Upper Income (80% and greater AMI)	845	1,825	305	2,315	5,290	3,711	8,354	12,065	17,355
Percent with any Housing Problems	18%	8%	43%	6%	11%	7%	14%	12%	11%
Percent with Cost Burden > 30%	16%	4%	0%	5%	6%	7%	13%	11%	10%
Percent with Cost Burden > 50%	3%	0%	0%	0%	1%	1%	2%	2%	2%
Total Households¹	2,655	4,089	609	6,058	13,411	6,436	10,854	17,290	30,701
Percent with any Housing Problems	41%	37%	57%	43%	42%	18%	25%	22%	31%

Note: ¹Includes all income groups - including those above 80% of AMI.

Source: Comprehensive Housing Affordability Strategy Datebook; Bay Area Economics, 2004

(HUD Table 1): Housing Assistance Needs of Buncombe County (not including Asheville), 2000

Households by Type, Income, and Housing Problem	Renters					Owners			
	Elderly Households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	Total Housholds
Extremely Low & Very Low Income	741	1,433	258	1,290	3,722	3,519	2,981	6,500	10,222
Extremely Low Income (0% to 30% AMI)	368	731	115	655	1,869	1,479	1,365	2,844	4,713
Percent with any Housing Problems	42%	76%	84%	69%	67%	70%	72%	70%	70%
Percent with Cost Burden > 30%	42%	75%	83%	69%	66%	70%	70%	70%	69%
Percent with Cost Burden > 50%	33%	67%	56%	66%	61%	40%	61%	50%	53%
Very Low Income (31% to 50% AMI)	373	702	143	635	1,853	2,040	1,616	3,656	5,509
Percent with any Housing Problems	46%	66%	76%	69%	65%	33%	57%	43%	50%
Percent with Cost Burden > 30%	46%	51%	58%	68%	62%	33%	56%	43%	49%
Percent with Cost Burden > 50%	28%	17%	5%	34%	24%	18%	34%	25%	25%
Low Income (51% to 80% AMI)	295	1,100	210	1,156	2,761	2,376	4,756	7,132	9,893
Percent with any Housing Problems	32%	23%	64%	34%	32%	22%	49%	40%	37%
Percent with Cost Burden > 30%	32%	20%	15%	35%	28%	21%	45%	37%	35%
Percent with Cost Burden > 50%	5%	3%	0%	3%	3%	10%	16%	13%	11%
Moderate to Upper Income (80% and greater AMI)	586	2,760	400	1,835	5,581	5,737	23,615	29,352	34,933
Percent with any Housing Problems	11%	3%	26%	6%	5%	10%	13%	12%	11%
Percent with Cost Burden > 30%	9%	1%	0%	5%	4%	10%	12%	11%	10%
Percent with Cost Burden > 50%	5%	0%	0%	2%	1%	1%	2%	2%	2%
Total Households¹	1,622	5,293	868	4,281	12,064	11,632	31,352	42,984	55,048
Percent with any Housing Problems	33%	26%	50%	33%	29%	24%	22%	23%	25%

Note: ¹Includes all income groups - including those above 80% of AMI.

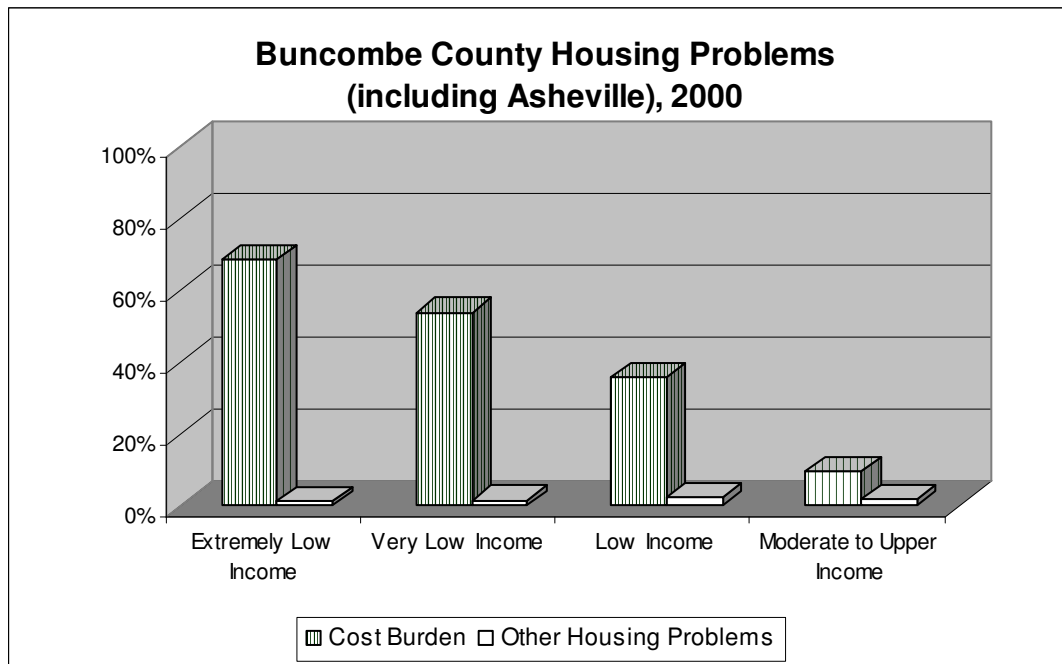
Source: Comprehensive Housing Affordability Strategy Datebook; Bay Area Economics, 2004

(HUD Table 1): Housing Assistance Needs of Buncombe County (including Asheville), 2000

Households by Type, Income, and Housing Problem	Renters					Owners			Total Housholds
	Elderly Households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly	All Other Owners	Total Owners	
Extremely Low & Very Low Income	2,118	2,914	451	3,837	9,320	4,967	4,003	8,970	18,290
Extremely Low Income (0% to 30% AMI)	1,211	1,605	214	2,023	5,053	2,023	1,846	3,869	8,922
Percent with any Housing Problems	52%	72%	84%	71%	67%	70%	75%	72%	70%
Percent with Cost Burden > 30%	51%	70%	79%	71%	66%	70%	74%	72%	69%
Percent with Cost Burden > 50%	35%	60%	58%	64%	56%	42%	64%	52%	54%
Very Low Income (31% to 50% AMI)	907	1,309	237	1,814	4,267	2,944	2,157	5,101	9,368
Percent with any Housing Problems	48%	70%	73%	75%	68%	33%	61%	45%	55%
Percent with Cost Burden > 30%	48%	67%	56%	74%	66%	33%	60%	44%	54%
Percent with Cost Burden > 50%	27%	21%	3%	39%	29%	17%	37%	25%	27%
Low Income (51% to 80% AMI)	728	1,883	321	2,352	5,284	3,653	6,234	9,887	15,171
Percent with any Housing Problems	44%	31%	63%	41%	39%	20%	49%	38%	38%
Percent with Cost Burden > 30%	44%	27%	23%	40%	35%	19%	46%	36%	36%
Percent with Cost Burden > 50%	6%	4%	1%	3%	4%	9%	16%	13%	10%
Moderate to Upper Income (80% and greater AMI)	1,431	4,585	705	4,150	10,871	9,448	31,969	41,417	52,288
Percent with any Housing Problems	15%	5%	33%	6%	8%	9%	13%	12%	11%
Percent with Cost Burden > 30%	13%	2%	0%	5%	5%	9%	12%	11%	10%
Percent with Cost Burden > 50%	4%	0%	0%	1%	1%	1%	2%	2%	2%
Total Households¹	4,277	9,382	1,477	10,339	25,475	18,068	42,206	60,274	85,749
Percent with any Housing Problems	38%	31%	53%	39%	36%	22%	23%	23%	27%

Note: ¹Includes all income groups - including those above 80% of AMI.

Source: Comprehensive Housing Affordability Strategy Datebook; Bay Area Economics, 2004



Source: Comprehensive Housing Affordability Strategy Datebook; Bay Area Economics, 2004

Buncombe County accounts for 66 percent of the Consortium's total unmet housing needs. Since Asheville has such a great influence on Buncombe County, these unmet needs were examined citywide and countywide. Based on housing problems and cost burdens, a need for the following number of units at rents/prices affordable at the three income levels is presented below.

Unmet Need for Affordable Units (Asheville)

	Extremely-Low-Income Households	Very-Low-Income Households	Low-Income Households	Total
Rental Units				
For Households with Housing Problems	2,140	1,690	1,170	5,000
For Households with Severe Cost Burdens	1,690	790	115	2,595
Owners				
For Households with Housing Problems	790	700	940	2,430
For Households with Severe Cost Burdens	600	370	330	1,300

Unmet Need for Affordable Units (Buncombe County not including Asheville)

	Extremely-Low-Income Households	Very-Low-Income Households	Low-Income Households	Total
Rental Units				
For Households with Housing Problems	1,260	1,190	70	2,520
For Households with Severe Cost Burdens	1,110	450	65	1,625
Owners				
For Households with Housing Problems	2,010	1,600	2,800	6,410
For Households with Severe Cost Burdens	1,420	920	990	3,330

Unmet Need for Affordable Units (Buncombe County including Asheville)

	Extremely-Low-Income Households	Very-Low-Income Households	Low-Income Households	Total
Rental Units				
For Households with Housing Problems	3,400	2,880	1,240	7,520
For Households with Severe Cost Burdens	2,800	1,240	180	4,220
Owners				
For Households with Housing Problems	2,800	2,300	3,740	8,840
For Households with Severe Cost Burdens	2,020	1,290	1,320	4,630

(HUD Table 2A): Priority Needs Summary Table					
Priority Housing Needs (households)		Percentage of Area Median Income (AMI)	Priority Needs Level (High, Medium, Low)	Unmet Needs	Goals*
Renter Households	Small Related	0% to 30% of AMI		1,159	
		31% to 50% of AMI		918	
		51% to 80% of AMI		582	
	Large Related	0% to 30% of AMI		180	
		31% to 50% of AMI		174	
		51% to 80% of AMI		201	
	Elderly	0% to 30% of AMI		627	
		31% to 50% of AMI		434	
		51% to 80% of AMI		319	
	All Other	0% to 30% of AMI		1,437	
		31% to 50% of AMI		1,358	
		51% to 80% of AMI		956	
Non-Elderly Owner Households		0% to 30% of AMI		1,392	
		31% to 50% of AMI		1,316	
		51% to 80% of AMI		3,054	
Special Populations**		0% to 80% of AMI		3,970	
Total Goals					
**Includes elderly households					

Special Needs Populations

Beyond the general need for affordable housing, some populations have special needs for specialized housing and/or supportive services, focused on four groups:

- Elderly
- Frail elderly
- Persons with physical disabilities
- Persons with mental disabilities

The current inventory for special needs housing identified no waiting lists for the above special needs population.

Barriers to Affordable Housing

Among the barriers to affordable housing specific to Asheville and Buncombe County are:

- High land and construction costs related to topography and the limited supply of developable land;
- Lack of public water and sewer service to developable sites;
- Lack of vacant developable land in the city of Asheville;
- The high per-unit cost of making rental housing affordable for extremely-low and very-low-income groups, coupled with declining federal funding;
- Limited multi-family housing construction;
- Neighborhood opposition to higher-density housing, and;
- Predatory lending

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